



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dianne R. Nielson, Ph.D., Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

June 22, 1984

Mr. H. Lutz Klingman
President and Director
St. George Mining Corporation
50 East 100 South
St. George, Utah 84770

RE: Mining and Reclamation
Plan Review
Apex Mine
ACT/053/004
Washington County, Utah

Dear Mr. Klingman:

The Division has concluded its review of the Notice of Intention and Mining and Reclamation Plan for the Apex Mine. Though some minor issues remain outstanding, the review process has progressed sufficiently to enable the Division to issue its tentative approval and commence publication of such as per Rule M-4 of the Utah Mined Land Reclamation Act. A copy of the publication notice is enclosed.

Within the 30 day public comment period, the Division is requiring your response to the following issues for their timely resolution, prior to the issuance of final approval for this project.

Rule M-3(5)

The applicant needs to address the submittal and contents of a letter of intention to commence exploratory drilling as part of the Mining and Reclamation Plan.

Rule M-5

The labor rates for bonding purposes were adjusted to reflect the 1984 Means Building Construction Cost Data.

Page Two
Mr. H. Lutz Klingman
June 22, 1984

The 50 cubic yards of concrete mentioned in the May 4, 1984 submittal (page 8) were not reflected in the bond estimate. Only six cy were mentioned and, therefore, this has been adjusted.

The matting used includes 1,000 square feet. How was this determined? This area is to be indicated on the map, i.e., where the matting will be used.

A copy of the Division's revised bond amount is enclosed.

Rule M-10(2)(a) and (10)

Will there be any backfilling of the portals in addition to the cement bulkheads?

In addition to the above, the Division is making the following recommendations for your consideration.

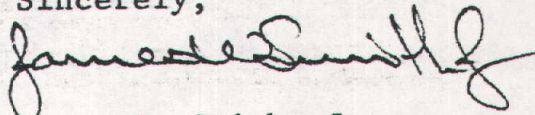
1. St. George Mining Corporation should make the commitment as part of the mine plan that blasting will abide by all applicable regulations.
2. During analysis of the response received May 4, 1984, one item of concern regarding the design of hydrologic structures is apparent. The upper mine dump roadway diversion empties onto the slope above the main pad. Based on calculations by Division hydrologists, the combined flow from the upper mine dump roadway diversion and the predicted flow from the drainage area between the main pad and the diversion above would be between three and five cfs. This size flow coming onto the main pad at approximately the location of the fuel tank could cause significant damage to the fuel tank and pad area. It is recommended that a diversion ditch to safely convey this flow off the main pad area be implemented.

Upon receipt of your response to these items and receipt of the required reclamation surety bond in the amount of \$50,399.00, the Division will prepare the Executive Summary for presentation to the Board of Oil, Gas and Mining during its August hearing and will issue its final approval for the Apex Mine.

Page Three
Mr. H. Lutz Klingman
June 22, 1984

Should you have any questions or need further information,
please contact Mary Boucek of the Division at your earliest
convenience.

Sincerely,



James W. Smith, Jr.
Administrator
Mineral Resource Development
and Reclamation Program

JWS/mmb:btb

cc: Mary Boucek, DOGM
Steve Cox, DOGM
Pam Grubaugh-Littig, DOGM
Ev Hooper, DOGM
Tom Munson, DOGM
Rick Smith, DOGM
John Whitehead, DOGM

88130-17-19

BOND ESTIMATE

St. George Mining Corporation
Apex Mine
ACT/053/004, Washington County, Utah

June 22, 1984

1. Sealing of Shafts and Portals

Labor - 1 foreman	\$ 29.20
2 laborers	\$ 43.90
1 carpenter	\$ 27.70
	<u>\$100.80/hr =</u>
	\$ 95.66/hr
1 light truck	\$ 14.10
	<u>\$109.76</u>

Time = 16 hrs @ \$109.76 X .994 (index) = \$1,745.62

Material (8.3 times original estimate)

Lumber	\$ 6,225.00
Steel	\$ 2,075.00
Concrete, 50 yds @ \$55	\$ 2,750.00
	<u>\$11,050.00</u>

\$12,795.62

2. Site Cleanup, Labor and Equipment

1 foreman	\$ 29.20/hr
2 laborers	\$ 43.90/hr
	<u>\$ 73.10/hr</u>
1 pickup	\$ 14.10/hr
1 haul truck & operator	\$ 57.65/hr
	<u>\$144.85/hr</u>

Time = 24 hrs @ \$144.85/hr X .994 (index) = \$3,455.54

3. Removal of Structures, Labor and Equipment

1 foreman	\$ 29.20/hr
4 laborers	\$ 87.80/hr
	<u>\$117.00/hr</u>
1 pickup	\$ 14.10
1 flat-bed truck & operator	\$ 41.75
1 forklift & operator	\$ 37.35
	<u>\$210.20</u>

Time = 32 hrs @ \$210.20/hr X .994 (index) = \$6,686.00

4. Concrete and Foundation Removal, Labor and Equipment

1 foreman	\$ 29.20/hr
1 cat & operator	\$150.90/hr
1 haul truck & operator	\$ 57.65/hr
1 loader & operator	\$ 70.45/hr
	<u>\$308.20/hr</u>

Time = 6 hrs @ \$308.20/hr = \$1,849.20 X .994 (index) =
\$1,838.10

5. Grading and Scarification, Labor and Equipment

1 cat & operator	\$150.90/hr
1 grader & operator	\$169.50/hr
	<u>\$320.30/hr</u>

Time = 12 hrs @ \$320.30 = \$3,843.60 X .994 (index) =
\$3,820.54

6. Final Site Preparation and Stabilization

1 foreman	\$ 29.20
2 laborers	\$ 43.80
1 truck & driver	\$ 30.01
	<u>\$103.01</u>

Time = 24 hrs @ \$103.01 = \$2,472.24 X .994 (index) =
\$2,457.41

7. Mobilization \$590.00

8. Revegetation

Mulch - 2T/ac @ \$100/T	\$ 200.00/ac
Fertilizer - 150#/ac X \$7/50#	\$ 21.00/ac
Seed Mix - \$1,029.20/ac	\$1,029.20/ac
	<u>\$1,250.20/ac</u>

8.1 ac @ \$1,250.20/ac = \$10,126.62

7.7 acres original submittal
.362 additional acreage
8.062

Matting \$250.00

Labor

1 farm tractor & operator -	
24 hrs @ \$32.30/hr	\$ 775.00
Laborer - 160 hrs @ \$21.95/hr	\$3,512.00

SUMMARY

1. Sealing of Shafts and Portals	\$12,795.62	
2. Site Cleanup	\$ 3,455.54	
3. Removal of Structures	\$ 6,686.00	
4. Concrete and Foundation Removal	\$ 1,838.10	
5. Grading and Scarification	\$ 3,820.54	
6. Final Site Preparation & Stabilization	\$ 2,457.41	
7. Mobilization	\$ 590.00	
8. Revegetation	\$14,663.62	
	<u>\$46,305.83</u>	
10% Contingency	\$ 4,630.58	
	<u>\$50,936.41</u>	(1984 dollars)
TOTAL	\$50,936.00	

93660